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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Three Months Ended March 30, 1992
Commission File Number 2-83166

Eq-22608

COMMUNITY BANCORP.

(Exact Name of Registrant as Specified in its Chapter)

Vermont	03-0284070
(State of Incorporation)	(IRS Employer Identification Number)

Derby Road Derby, Vermont	05829
(Address of Principal Executive Offices)	(zip code)

Registrant's Telephone Number: (802) 334-7915

Not Applicable

Former Name, Former Address and Formal Fiscal Year
(If Changed Since Last Report)

Indicate by checkmark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file for such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes (X) No ( )

At March 30, 1992, there were 1,039,362 shares of the Corporation's $2.50 par value common stock issued and outstanding.

Total Pages - 16 Pages

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PART I. FINANCIAL INFOKMATION

Item 1. Financial Statements

COMMUNITY BANCORP. AND SUBSIDIARY
Consolidated Statements of Condition

	MARCH 31 1992	DECEMBER 31 1991	MARCH 31 1991	
ASSETS				
Cash and Due From Banks	3,630,633	4,152,593	2,847,944	1
Interest Bearing Deposits in Banks	0	0	1,000,000	2
Investment Securities (Market Value of $34,676,967 at 03/31/92, $33,602,452 at 12/31/91 and $37,465,461 at 03/31/91.	34,088,902	32,926,752	37,446,590	3
Federal Funds Sold	1,925,000	1,975,000	975,000	4
Loans	107,644,859	106,505,696	101,683,488	5
Allowance for loan losses	(1,735,292)	(1,618,736)	(1,345,368)	6
Unearned net loan fees	(598,646)	(577,650)	(340,934)	7
Net loans	105,310,921	104,309,310	99,997,186	8
Bank Premises and Equipment, Net	1,120,153	1,146,501	1,183,679	9
Accrued Interest Receivable	1,460,941	1,360,705	1,649,810	10
Other Real Estate Owned	1,668,712	1,807,545	1,179,446	11
Other Assets	1,456,145	1,456,979	961,826	12
TOTAL ASSETS	150,661,407	149,135,385	147,241,481	13
LIABILITIES				
Deposits:				
Demand, Non-Interest Bearing	10,418,260	10,950,563	9,750,766	14
NOW and Money Market Accounts	23,905,261	23,108,697	22,545,453	15
Savings	22,854,885	20,187,728	18,240,021	16
Time Deposits, $100,000 and Over	11,087,180	10,910,996	15,036,373	17
Other Time Deposits	69,993,450	71,418,735	70,324,472	18
Total Deposits	138,259,036	136,576,719	135,897,085	19
Accrued Interest and Other Liabilities	508,766	868,679	532,909	20
Subordinated Debentures	715,000	739,000	739,000	21
TOTAL LIABILITIES	139,482,802	138,184,398	137,168,994	22
STOCKHOLDERS' EQUITY				
2,000,000 shares authorized and 1,068,257 shares issued at 03/31/92, 1,057,170 issued at 12/31/91, and 1,035,418 issued at 03/31/91	2,670,640	2,642,922	2,588,545	23
Surplus	2,459,163	2,397,324	2,250,906	24
Retained Earnings	6,481,906	6,343,790	5,817,996	25
Net Unrealized Losses on Marketable Equity Securities	0	0	(152,000)	26
Less:Treasury Stock, (28,895 Shares at 03/31/92, 28,889 Shares at 12/31/91 and 28,879 shares at 03/31/91 , at cost.	(433,104)	(433,049)	(432,960)	27
TOTAL STOCKHOLDERS' EQUITY	11,178,605	10,950,987	10,072,487	28
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	150,661,407	149,135,385	147,241,481	29

COMMUNITY BANCORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

For The First Quarter Ended March 31,	1992	1991	1990	
INTEREST INCOME				
Interest and Fees on Loans	2,927,795	3,135,844	3,071,546	1
Interest and Dividends on Investment Securities				
U.S.Treasury Securities	354,312	283,113	257,636	2
U.S. Treasury Agencies	37,742	50,121	0	3
Obligations of State and Political Subdivisions	135,954	209,809	104,929	4
Other Securities	49,005	48,416	53,455	5
Interest on Deposits in Banks	0	1,808	0	6
Interest on Federal Funds Sold	22,945	58,713	101,510	7
Total Interest Income	3,527,753	3,787,824	3,589,076	8
INTEREST EXPENSE				
Interest on Deposits	1,838,257	2,267,473	2,066,015	9
Interest on Short-Term Borrowings and Securities Sold Under Repurchase Agreements	0	1,453	3,773	10
Interest on Subordinated Convertible Debentures	17,413	18,128	23,630	11
Total Interest Expense	1,855,670	2,287,054	2,093,418	12
Net Interest Income	1,672,083	1,500,770	1,495,658	13
Provision for Loan Losses	(175,000)	(255,000)	(297,589)	14
Net Interest Income after Provision for Loan Losses	1,497,083	1,245,770	1,198,069	15
Securities Gains (Losses)				
OTHER OPERATING INCOME				
Trust Department Income	12,899	12,915	12,714	16
Service Fees	105,513	91,716	82,956	17
Securities Gains (Losses)	0	(18,090)	0	18
Other	89,741	90,049	90,299	19
Total Other Operating Income	208,153	176,590	185,969	20
OTHER EXPENSES				
Salaries and Wages	442,373	412,000	415,438	21
Pension and Other Employee Benefits	102,441	68,058	83,176	22
Occupancy Expenses, Net	177,050	158,556	173,716	23
Other	598,441	424,130	290,954	24
Total Other Operating Expenses	1,320,305	1,062,744	963,284	25
Income Before Taxes	384,931	359,616	420,754	26
Applicable Income Taxes (Credit)	82,288	57,013	102,500	27
NET INCOME	302,643	302,603	318,254	28
Earnings Per Share on Weighted Average				
Primary	0.29	0.30	0.35	29
Fully Diluted	0.28	0.29	0.32	30
Weighted Average Number of Common Shares				
Used in Computing Earnings Per Share – Primary	1,034,241	999,825	905,310	31
Fully Diluted	1,119,394	1,090,465	1,053,072	32
Dividends Per Share	0.16	0.16	0.16	33
Book Value Per Share on Shares Outstanding on	March 31,1992	Dec. 31,1991	March 31,1991	
	10.76	10.65	10.01	34

COMMUNITY BANCORP.
Statement of Cash Flows
For The First Quarter Ended March 31,

	1992	1991	1990	
Interest Received	3,427,517	2,436,894	3,397,147	1
Fees and Commissions Received	208,153	194,680	185,969	2
Interest Paid	(1,884,511)	(2,330,345)	(2,553,575)	3
Cash Paid to Suppliers and Employees	(1,105,001)	(998,312)	(902,217)	4
Income Taxes Paid	(581,925)	(392,506)	(337,984)	5
Net Cash Provided by Operating Activities	64,233	(1,089,589)	(210,660)	6
Cash Flows from Investing Activities:				
Proceeds From Sales of Trading and Investment Securities	2,747,672	1,235,060	653,460	7
Purchase of Trading and Investment Securities	(3,911,832)	(10,812,311)	(3,545,863)	8
Increase in Loans, Net of Payments	(1,037,778)	2,874,126	(1,659,610)	9
Capital Expenditures	(17,546)	(137,704)	(59,149)	10
Net Cash Used in Investing Activities	(2,219,484)	(6,840,829)	(4,611,162)	11
Cash Flows from Financing Activities:				
Net Increase in Demand Deposits,NOW Accounts and Savings Accounts	2,931,418	(3,417,316)	(2,243,830)	12
Net Increase in Certificates of Deposit	(1,249,101)	6,605,225	5,491,978	13
Net Increase (Decrease) in Repurchase Agreements	0	(54,403)	0	14
Proceeds From Issuance of Common Stock	89,557	91,440	354,017	15
Redemption of Convertible Debentures	(24,000)	(23,000)	(289,000)	16
Payments to Acquire Treasury Stock	(55)	(23)	(9)	17
Dividends Paid	(164,528)	(159,160)	(141,321)	18
Net Cash Provided by Financing Activities	1,583,291	3,042,763	3,171,835	19
Net Increase in Cash and Cash Equivalents	(571,960)	(4,887,655)	(1,649,987)	20
Cash and Due from Banks at Beginning of Period	6,127,593	8,710,599	9,344,028	21
Cash and Due from Banks at end of Period	5,555,633	3,822,944	7,694,041	22
RECONCILIATION of NET INCOME TO NET CASH PROVIDED By OPERATING ACTIVITIES				
NET INCOME	302,643	302,603	318,254	23
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	43,894	64,432	61,067	24
PROVISION FOR LOAN LOSSES	175,000	255,000	297,589	25
PROVISION FOR DEFERRED TAXES	(374,724)	(286,849)	(116,622)	26
SECURITIES (GAINS) LOSSES	0	18,090	0	27
INCREASE IN TAXES PAYABLE	(124,913)	(48,644)	(118,862)	28
INCREASE IN INTEREST RECEIVABLE	(100,236)	(316,797)	(49,098)	29
INCREASE IN INTEREST PAYABLE	(28,841)	56,763	13,582	30
INCREASE (DECREASE) IN ACCRUED EXPENSES	(184,453)	(146,185)	(100,517)	31
INCREASE IN OTHER LIABILITIES	(19,695)	46,221	(373,222)	32
INCREASE IN OTHER ASSETS	375,558	(1,034,133)	(142,831)	33
TOTAL ADJUSTMENTS	(238,410)	(1,392,102)	(528,914)	34
NET CASH PROVIDED BY OPERATING ACTIVITIES	64,233	(1,089,499)	(210,660)	35
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:				
UNREALIZED LOSSES ON MARKETABLE EQUITY SECURITIES	$0	0	19,000	36
OTHER REAL ESTATE OWNED ACQUIRED IN SETTLEMENT OF LOANS	($138,833)	440,000	30,000	37
	($138,833)	$440,000	$49,000	38

AVERAGE BALANCES AND INTEREST RATES

The table below presents the following information: average earning assets (including non-accrual loans) and average interest bearing liabilities supporting earning assets and interest income and interest expense as a yield/rate.

	FIRST 3 MONTHS 1992			FIRST 3 MONTHS 1991		
	AVERAGE BALANCE	INCOME/ EXPENSE	RATE/ YIELD	AVERAGE BALANCE	INCOME/ EXPENSE	RATE/ YIELD
EARNING ASSETS						
Loans (gross)	106,905,986	2,927,795	11.01	103,282,712	3,135,844	12.31
Taxable Investment Securities	22,821,709	392,054	6.91	17,428,049	333,234	7.75
Tax-exempt Investment Securities(1)	8,395,600	197,827	9.48	11,346,531	317,892	11.36
Federal Funds Sold	2,336,814	22,945	3.95	3,568,333	58,713	6.67
Other Securities(2)	3,092,409	54,393	7.07	3,855,443	50,224	5.28
TOTAL INTEREST BEARING LIABILITIES	143,552,518	3,595,014	10.07	139,481,068	3,895,907	11.33
Savings Deposits	21,586,995	233,199	4.34	17,693,428	235,943	5.41
NOW & Money Market Funds	24,007,666	240,096	4.02	22,440,463	310,328	5.61
Time Deposits	81,499,177	1,364,961	6.74	83,772,328	1,721,203	8.33
Sec. sold Under Agreemt.to Repo	0	0	0.00	73,660	1,453	8.00
Debentures	723,000	17,413	9.69	751,000	18,128	9.79
TOTAL	127,816,838	1,855,669	5.84	124,730,879	2,287,055	7.44
Net Interest Income		1,739,345			1,608,852	
Net Interest Spread(3)			4.23			3.89
Interest Differential(4)			4.87			4.68

(1) Income on investment securites of state and political subdivisions is stated on a fully taxable basis (assuming a 34 percent tax rate).

(2) Dividend received on Student Loan Marketing Association Preferred Stock, which is 70 % tax exempt, is included in this figure, and stated on a fully taxable basis (assuming a 34 percent tax rate).

(3) Net interest Spread is the difference between the yield on earning assets and the rate paid on interest bearing liabilities.

(4) Interest differential is net interest income divided by average earning assets.

COMMUNITY BANCORP.

PRIMARY EARNINGS PER SHARE

FOR THE FIRST QUARTER ENDED MARCH 31	1992	1991	1990
NET INCOME	302,643	302,603	318,254
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING.	1,034,241	999,825	905,310
EARNINGS PER COMMON SHARE	0.29	0.30	0.35

COMMUNITY BANCORP.

FULLY DILUTED EARNINGS PER SHARE

FOR THE FIRST QUARTER ENDED MARCH 31	1992	1991	1990
NET INCOME	302,643	302,603	318,254
ADJUSTMENTS TO NET INCOME (ASSUMING CONVERSION OF SUBORDINATED CONVERTIBLE DEBENTURES).	11,667	12,146	15,832
ADJUSTED NET INCOME	314,310	314,749	334,086
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING.	1,034,241	999,825	906,310
INCREASE IN SHARES (ASSUMING CONVERSION OF CONVERTIBLE DEBENTURES).	85,153	90,640	147,762
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (FULLY DILUTED).	1,119,394	1,090,465	1,053,072
EARNINGS PER COMMON SHARE ASSUMING FULL DILUTION.	0.28	0.29	0.32

PART I.

Item 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
THE RESULTS OF OPERATIONS

Quarter Ended March 30, 1992

The following is a discussion of the financial condition and results of operations of the Corporation. Reference should be made to the financial statements and related notes attached to this report and to the financial information set forth under the caption "Selected Financial Data" for an understanding of the discussion below. Because principally all of the Corporation's business is conducted through its only subsidiary, Community National Bank, the following discussion refers primarily to the Bank's operations.

Results of Operations --Net Income for the first quarter ended March 30, 1992 was $302,643 representing a .01% increase compared to a net income of $302,603 for the first quarter ended March 30, 1991.

Net interest income, the difference between interest income and expense, is an important component of the Bank's overall net income and is an effective measurement of management's performance in balancing the Bank's interest rate sensitive assets and liabilities. Net interest income is affected by the average volume of interest earning assets and the average volume of interest bearing liabilities used to fund those assets and by the relationship between the rates earned on those assets and the rates paid on those liabilities.

Net interest income for the first quarter of 1992 increased by $171,313, or 11.41%, compared to the first quarter of 1991. Total interest income decreased from $3,787,824 to $3,527,753, or 7.37%, during the first quarter of 1992 as compared to 1991.

Income from loans for the first quarter of 1992 decreased by $208,049, or 6.63%, compared to the first quarter of 1991. The volume of loans increased by 3.51 %, while the yield on those loans decreased by 130 basis points for the first three months of 1992, compared to 1991.

The average volume of taxable investments increased by 3.51%, and the yield on taxable investments for the first three months of 1992 fell by 130 basis points, compared to 1991. Because the yield on treasuries has remained above the yield on other short term investments such as federal funds, the Bank has shifted investment strategy to take advantage of these higher yields.

Interest income on Federal Funds Sold for the first quarter of 1992 decreased by $35,768, or 60.92%, compared to the first quarter of 1991. Average volume decreased by 34.51% and average rate decreased by 272 basis points in the first three months of 1992, compared to 1991.

In total, our average earning assets increased by 2.92% during the first three months of 1992, compared to the same period in 1991. Our average yield on total average earning assets for first three months was 10.07% in 1992, compared to 11.33% in 1991.

Interest expense for the first quarter of 1992 decreased by $431,386, or 18.86%, compared to the first quarter of 1991. The average cost of our liabilities fell by 160 basis points in the first three months of 1992, compared to 1991. Our average time deposits decreased by 2.71% during the first three months of 1992, and the average rate paid decreased by 159 basis points, compared to the same period in 1991. NOW and Money Market Funds increased by 6.98% in volume in 1992, and the average rate on NOW and Money Market Funds fell 159 basis points as compared to the first three months of 1991.

Our net yield on interest earning assets was 4.23% for the first three months of 1992, compared to 3.89% in 1991. This increase in yield on earning assets is attributable to a 126 basis point decrease in yield on assets, and a 160 point decrease in the average rate paid on interest earning liabilities.

Allowance for Possible Losses on Loans --Management does not consider it meaningful to allocate the allowance for loan losses in accordance with industry, type of loan, or geographic area. The adequacy of the allowance is, however, determined by a loan-by-loan review and an examination of the overall level of risk and concentrations within the portfolio. A continuing review of the loan portfolio is conducted by the Executive Officers and the Board of Directors, which meets to discuss, among other matters, potential exposures. Factors considered are each borrower's financial condition, the industry or sector for the economy in which the borrower operates, and overall economic conditions. Existing or potential problems are noted and reported to senior management which assesses the risk of probable loss or delinquency on a loan-by-loan basis in conjunction with a review of the regulatory authority and the recommendations of independent accountants. The loan loss allowance is maintained at a level consistent with identified loss potential and the perceived risk in the portfolio. As of March 30, 1992, this internal review identified $59,540 in loans that were classified as doubtful. Care is taken to avoid undue concentration of risk in any one borrower, industry or geographic area. The overall risk is mitigated by the relatively large concentration of first mortgage loans with an extremely low historical loss ratio and a substantial consumer loan portfolio, the amortization of which is relatively rapid.

In the opinion of management, the valuation allowance for loan losses as of March 30, 1992 of $1,735,292, which constituted 1.61% of the total loan portfolio, is both satisfactory and adequate. Management believes this position is reasonable, particularly in view of the fact that $83,568,548 of the total loan portfolio, or 77.63% of the total loan portfolio, consists of real estate mortgage loans; and of the total real estate mortgage loans $65,147,878 or 77.95% constitute one to four family residential mortgage loans. The historical loan loss experience attributable to the residential mortgage sector of the loan portfolio has been nominal; and if the eligible loan portfolio base were reduced by the aggregate of the residential mortgage loan sector of the portfolio, the valuation allowance for loan losses of $1,735,292 would constitute 4.08% of the eligible loans. In management's opinion, it is both prudent and appropriate that reasonable consideration should focus upon the fact that the eligible loan portfolio contains a 77.63% concentration of residential and commercial real estate secured mortgage loans; and that this factor provides a much greater degree of stability and effectively insulates the portfolio against the volatility which may be ordinarily expected in a portfolio with a higher concentration of commercial, industrial, and installment loans. Additionally, a review of the non-performing loans indicates little risk of loss since they are primarily real estate mortgage loans.

Non-performing assets as of March 30, 1992 were made up of the following:

Non-Accruing loans	$1,362,864
Loans past due 90 day or more and still accruing	352,345
Other real estate owned	1,783,442
Total	$3,498,651

Loans internally classified as "doubtful" which are <u>not</u> included in the above figures totalled $29,684.

Other real estate owned is made up of property that the Bank owns in lieu of foreclosure or through normal foreclosure proceedings, and property that the Bank does not hold title to but is in actual control of, known as in-substance foreclosure. It is the policy of the Bank to value property in other real estate owned at the appraised value or book value of the loan, whichever is lesser. Our appraisal policy is to appraise the property before including it in other real estate owned, and annually thereafter.

Our current portfolio of other real estate owned consists of $1,038,439 in property actually owned by the Bank, and $745,013 of in-substance foreclosure loans. Our owned property consists of a ski lodge in Jay, Vermont, land in Lowell, Vermont, a former farm equipment dealership in Newport, Vermont, two commercial properties, and three single family residences in Northern Vermont. Our in-substance foreclosures consist of two single family residences in Northern Vermont and a condominium project in Jay, Vermont. The Bank is actively attempting to sell all of the other real estate owned, and expects no material loss on any of these properties. In the month of

April 1992, the ski lodge in Jay, Vermont, was sold with no further loss taken. However, other real estate owned is by definition a non-earning asset, and as such does have a negative impact on the Bank's earnings.

This total of $3,498,651 in non-performing loans equals 3.25% of gross loans, and is primarily well secured by real estate mortgage loans or other security. As of March 30, our reserve coverage of non-performance loans was 49.59% as compared to 41.57% a year ago and 44.62% at December 31, 1991. This increase is attributable to the Bank's praccice of adding to its reserve in times of economic uncertainty.

The Bank's non-performing loans as a percent of assets was 2.32% as of March 30, 1992.

However, given the current uncertainties in the local economy, Management has deemed it appropriate to maintain our reserve for loan losses at a level approximately 1.6% of total eligible loan. We will continue to closely monitor the portfolio and adjust this strategy as conditions warrant. This should be sufficient to insulate the bank in the event of some unforeseen economic disaster

Other Operating Income and Expenses --Other operating income for the first quarter of 1992 increased by $31,563, or 17.87%, as compared to the first quarter of 1991. Trust department income for the first quarter of 1992 decreased $26, or .02%, compared to the first quarter of 1991. Service charges on deposit accounts for the first quarter of 1992 increased by $13,797, or 15.04%, compared to first quarter 1991. Other income for the first quarter decreased by $308, or .34%, compared to the same quarter in 1991.

Other operating expenses for the first quarter of 1992 increased by $257,561, or 24.24%, compared to the same quarter of 1991. Salaries expense for the first quarter increased from $412,000 in 1991 to $442,373 in 1992, or 7.37%. Employee benefits for the first quarter of 1992 increased by $34,383, or 50.52%, compared to the first quarter of 1991. This increase is attributable to increased costs of health insurance and the return to full funding of the pension plan following reduced contributions last year in conjunction with the defined benefit plan closure. Net occupancy expense increased by 11.66% during the first quarter of 1992, and other expenses increased by $174,311, or 41.09% as compared to the first quarter of 1991.

Management, in the normal course of business, estimates the total expenditures of some components of other operating expenses, and accrues these amounts in monthly installments over the year. These estimates are examined quarterly for accuracy, and adjustments to the accrued amounts are made accordingly. These adjustments are, in the opinion of management, necessary to fairly present the statements of income for any interim period.

Applicable Income Taxes --Income before taxes in the first quarter of 1992 increased $25,315, or 7.04%, as compared to the first quarter of 1991. Provisions for income taxes for the first quarter of 1992 increased 44.33% as compared to the first quarter of 1991.

Effects of Inflation --Rates of inflation affect the reported financial condition and results of operations of all industries, including the banking industry. The effect of monetary inflation is generally magnified in bank financial and operating statements as costs and prices rise during periods of monetary inflation, cash and credit demands of individuals and businesses increase, and the purchasing power of net monetary assets declines. While high rates of inflation have in the past strained the capital structure of financial institutions, in recent months this trend has been somewhat alleviated by declining rates of inflation, with a resulting relaxation of the erosion of the purchasing power of monetary assets.

The Corporation's ability to preserve its purchasing power depends primarily on its ability to manage net interest income. As noted above, under "Results of Operations", the Corporation's net interest income improved during the first quarter of 1992.

Financial Condition --The Financial Condition of the Corporation should be examined in terms and trends in sources and uses of funds. The table entitled "Average Balances and Interest Rates" is a comparison of daily average balances and is indicative of how sources and uses of funds have been managed.

Average Earning Assets grew by 2.92% in the first three months of 1992 as compared to the same period in 1991. Loans comprised 74.47% of our Earning Assets in 1992 and 74.04% in 1991. The average balance of loans grew by 3.51% in the first three months of 1992, compared to the same period in 1991. On March 30, 1992, residential real estate mortgages made up 61% of our portfolio, commercial loans made up 24% and personal loans made up 15%.

Taxable investments made up 15.90% of our average earning assets in the first three months of 1992, compared to 12.49% in 1991.

Tax-exempt investments made up 5.85% of our average earning assets in the first three months of 1992, compared to 8.13% in 1991.

Federal Funds Sold made up 1.63% of our earning assets in the first three months of 1992 and 2.56% in 1991. Other Securities made up 2.15% in 1992, compared to 2.76% in 1991.

Historically, the Bank has funded its growth by steady increases in its core deposits. The Bank does not rely on large certificates or other forms of volatile deposits to fund its growth in earning assets.

As interest rates decline, there is a shift to savings and money market accounts, as customers await an opportunity to reinvest at higher rates. Conversely as rates increase, funds shift from savings and money market accounts to certificates of deposit to lock in higher yields.

Liquidity --Liquidity is an important indicator of the Corporation's overall financial condition. Unlike the traditional measure of corporate liquidity--the relationship between current assets and current liabilities--the measure of the bank's liquidity is determined by the adequacy of its cash and short-term security investments to meet reasonable depositor requirements and normal loan demands. Management believes that the key to survival during times of volatile interest rates is to remain extremely liquid. To that end, the Bank was a net seller of federal funds, averaging $2,336,814 in the first three months of 1992, and $3,568,333 during the same period of 1991. As of March 30, 1992, the Bank maintained combined cash and short-term investments in the amount of $15,217,484 compared with $20,638,245 at the end of March 1991.

Capital Resources --The Corporation's stockholders' equity is increased by net income and sales of common stock and is decreased by dividends, adjustments for non-current marketable equity securities, and purchase of treasury stock. Stockholders' equity increased to $11,178,605 on March 30, 1992 from $10,950,987 on March 30, 1991.

The Corporation intends to continue the Bank's past policy of maintaining a strong capital resource position to support its asset size and level of operations. Consistent with that policy, management will continue to anticipate the Corporation's future capital needs.

From time to time the Corporation may make contributions to the capital of its subsidiary, the Bank. At present, regulatory authorities have made no demand on the Corporation to make additional capital contributions to the Bank's capital.

PART II.

Item 1

Legal Proceedings

The Corporation is not a party to any pending legal proceedings before any court, administrative agency or other tribunal.

There are no pending legal proceedings to which the Bank is a party or of which any of its property is the subject, other than routine litigation incidental to its banking business.

Item 6

Exhibits and Reports on Form 8-K

Exhibits - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMMUNITY BANCORP.

DATED: May 15, 1992

By: _____
Alan A. Wing, Vice President

DATED: May 15, 1992

By: _____
Stephen P. Marsh,
Vice President & Treasurer